



HC
Please comply to the objection immediately
8.3.17

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(ECONOMIC & REVENUE SECTOR AUDIT), ODISHA
BRANCH : (ECONOMIC SECTOR - II), PURI**

By Registered Post

117

120
8/316

No. Vett(Misc.)-I.R. No.137/2016-17/360

Date :02.03.2017

To

The Principal, Govt.
Polytechnic, Dhenkanal
At/Post/Dist:-Dhenkanal

Sub: Forwarding of Inspection Report No.137/2016-17

Sir,

I am to forward herewith the Inspection Report No. 137/2016-17 relating to your office. The Inspection Report has been prepared on the basis of information furnished and made available by O/o the Principal, Govt. Polytechnic, Dhenkanal (name of the Auditee Unit). The Office of the Principal Accountant General (E & R.S.A.), Odisha, Bhubaneswar disclaims any responsibility for any misinformation and/or non-information on the part of the Auditee.

The reply to the I.R. along-with confirmation of facts and figures may please be furnished to Audit within four weeks from the date of receipt of this letter.

The receipt of Inspection Report may please be acknowledged.

Yours faithfully,

Encl : As above.

Shore
2/3/17
Sr. Audit Officer/Vetting

CLB

INSPECTION REPORT NO. 137 / 2016-17

Part-I (A)

1. Name of the office inspected : Government Polytechnic, Dhenkanal
2. Name of the Inspecting Officer : Sri P.K.Mohapatra, Audit Officer
3. Period of inspection : 30.01.2017 to 04.02.2017
4. Period covered under audit : April 2011 to December 2016
5. When last inspected and by whom : 09.06.2011 to 18.06.2011
By Sri L. Judhistir, Audit Officer
6. Personnel in-charge of the office : 1. Sri S.N.Dhara, Principal (I/c)
& Accounts From 20.04.10 to 18.03.13
2. Dr. M.N.Nayak, Principal (I/c)
From 18.03.13 to 17.09.14
3. Dr. B.B.Mohanty, Principal (I/c)
From 18.09.14 to date
7. Scope of inspection : Test check and general examination of
accounts Records for the period
covered under audit

Draft Inspection Report is discussed.

Principal, Govt. Polytechnic
Dhenkanal
Principal,
Dhenkanal
Dhenkanal

[Signature]
04.02.2017
Audit Officer
(Inspection)

21

OFFICE OF THE PR. ACCOUNTANT GENERAL (CIVIL AUDIT)

ORISSA : : BHUBANESWAR

INSPECTION REPORT No. 243 /2011- 12

1. Name of the accounts audited. : Accounts and transactions of the Principal, Women's Polytechnic Dhenkanal.
2. Period of accounts audited. : 03/2010 to 03/2011
3. Time taken for audit. : 9.06.2011 to 18.6.2011 (6 working days)
4. Name and designation of the officer in-charge of Accounts. : Sri B B Mohanty, Sr. Lecturer from 7.4.06 to date.
5. Name of the Head of Office : Sri S N Dhara, Principal
6. Name of the next higher authority. : Director, Technical Education & Training, Orissa, Cuttack
7. Name of the officers who audited the accounts. : Sri S P Nath, Asst. Audit Officer.
Sri M N Nayak, Sr. Auditor
8. Name of the Reviewing Officer. : Sri L Judhistir, Audit Officer
9. Scope of audit. : A test check and general examination of accounts records pertaining to the period covered under audit.

✓ PART - I

1- (a)- Introductory:- -NIL-

(b)- Outstanding Paras of the previous IRs.

<u>IR No./Year</u>	<u>Paras Outstanding</u>
331/2005-06	2
1758/2006-07	2, 5, 6, 7
1051/2008-09	2 (iv) (v) (vi), 3, 4 (i), 5, 6
97/2010-11	2 (iii), 3 (c) (d) (e)

Se paraba
Situ tamul
Fivenesshal

(c)- Schedule of Persistent Irregularities:-

- i. Non-maintenance of Consolidated Cash Book.
- ii. Non-conduct of Monthly Physical Verification of closing cash regularly by DDO and conduct of surprise verification of closing cash balance by head of Office.

PART- II- A

-NIL-

PART- II- B

- 2- Poor implementation of the scheme "Community Development through Polytechnic (CDTP).

With a view to train the Non-formal skill Development among the lesser educated people especially belonging to SCs / STs, OBCs, Women's, Schools dropouts, minorities, Physically disabled, economically weaker sections of the Society and other under privileged persons living in rural areas, Govt. of India introduced the New (Plan Project) scheme of comments Development through Polytechnics during

2009-10. For implementation of the scheme it was decided to select 1000 ACCTE approved Polytechnic in the country during the 11th Plan Period.

Ministry of Human Resource Development Department (MHRD) of Govt. of India ^{selected} 359 Polytechnic of the country to implement the above scheme vide their letter No. F 21-3/2009- TS dt.15.9.09. Out of which Govt. Polytechnic (Women's Polytechnic) Dhenkanal was one of the Polytechnics selected for implementation of the scheme. To implement the above mentioned scheme, the selected Polytechnics are eligible for the following maximum grants – in – aid from time to time.

- (a) One time Non-recurring GIA of Rs.13.00 lakhs to Polytechnic where the erstwhile Community Polytechnic Scheme was implemented for making the expenditure on non-recovery items including equipment etc.
- (b) Recurring GIA upto a Maximum of Rs.17.00 lakh per annum for making recurring expenditure including remunerated to contractual Project State Stationery, consumaties, financial material and other contingencies etc.

Govt. (MHRD) had a released a total sum of Rs.11,25,000/- in favour of the Principal Govt. Polytechnic Dhenkanal for implementation of the scheme during 2009-10 & 2010-11. The year wise details of release of grants are as under.

Year	Letter No under such grants released.	Amount recovery (Rs.)
2009-10	F-21-3/2009- TS- IV dt.15.9.09	10,25,000 (Recurring – 4.25 lakhs Non-recurring- 6.00 lakh)
2010-11	F- 21-3/2010- TS-IV dt.21.2.11	1,00,000 (Recurring)

As per the terms and contains prescribed in the order sanctioning the grants-in-aid Release of further grant shall be made in the basis of performance of the utilization of grant in terms of physical and financial achievement. Further the Utilisation Certificate in the prescribed form GFR supported by the Audited

Statement of Accounts in prescribed format duly signed by the authorized auditor of the institution and countersigned by the Principal / Director of the institution, to the effect that the GIA has been utilized for the purpose for which it was sanctioned.

Scrutiny of the records of revealed that against the grant sanctioned during 2009-10 no amount could be utilized in the same year. However, during 2010-11 a sum of Rs.1,76,921/- only could be utilized against the total available grant of Rs.11,25,000/- including released during 2010-11 leaving a balance of Rs.9,73,311/- as on 31.3.11 as detailed below.

1	Total Grant- in- Aid received during 2009-10 and 2010-11	Rs.11,25,000/-
2	Interest accrued on deposits in Bank accounts	25,232/-
3	Total available fund including Interest	11,50,232/-
4	Amount utilized (UCs submitted) Recurring	1,63,471
5	Non-Recurring	13,450/-
	Balance as on 31.3.11	Rs.9,73,311/-

It would be seen that the utilization of grants in very poor even compared to the expenditure of Rs.5,60,400/- which was to be utilized as per the (approved) Annual Operational Plan for 2010-11. Such a low performance in implementation may laid to non-release of further grants-in-aid in subsequent years. As a result of which the very objective of the scheme to train the group in Non-formal Skill Development has been defeated.

On this being pointed out by audit it was stated that the slow progress was due to shortage of man power. However, steps may be taken to utilize the fund early for implementation of the scheme effectively and the position may be intimated to audit.

✓ 3. **Blockade of funds received under Infrastructural Development.**

Govt. of India Ministry of Human Resource Development granted financial Assistance in favour of the Principal, Women Polytechnic, Dhenkanal vide their letter No. 16-3/2010- TS- IV dt.7.12.10 for Rs.20,00,000.00. The said fund was released for up gradation of existing / setting up of new Polytechnics under the centrally sponsored scheme upgradation of existing/setting up of new Polytechnic under the scheme on submission of Polytechnics under coordinated Action for Skill Development. The above amount was received by the Principal, Govt. Polytechnic Dhenkanal on 18.1.11 as ascertained from the bank pass book.

During check of relevant records however, it was seen that no process has been initiated for implementation of the scheme in the institution so far which resulted in blockade of Govt. money. Delay in implementation of the scheme deprived the students of availing training with modern equipments.

Effective steps may be taken to utilize the GOI grants for implementation of the said scheme without further delay under intimation to audit.

4. **Cash Book and Management of Cash.**

The Principal, Govt. Polytechnic Dhenkanal maintained ten (10) Nos. of Cash Books to watch. The transaction of funds received under various schemes and activities. The Cash Books were closed with a consolidated balance of Rs.1,00,21,587.14 as on 31.3.11. The Cash Book wise position & mode of keeping of the closing balances are as under.

Sl. No.	Name of the Cash Book	Hard Cash	Paid Voucher	SB Account	Current Account	Bank Draft	Advance	
1	General Cash Book	4,554.00	---	17,624.64	5,20,762.27	230.00	---	5,43,170.91
2	P L Cash Book	2,038.25	4773.00	40,62,157.24	---	---	1,63,267/-	42,32,235.99
3	RLTAP	----	----	31,459.00	----	----	----	31,459.00
4	Workshop Maintenance	----	----	19,94,873.00	----	----	----	19,94,873.00 19,94,873.00
5	MODROB (GDPT)	----	----	1,19,786.00	----	5000.00	----	1,24,786.00
6	Ladies Hostel	----	----	20,00,000.00	----	----	----	20,00,000.00
7	CDTP	17,952.00	---	9,55,359.00	----	----	----	9,73,311.00
8	MOH (MODAM)	----	----	1,18,214.74	----	----	----	1,18,214.74
9	Strengthening	----	----	1,513.00	----	----	----	1,513.00
10	State Employment Missing	----	----	2,024.00	----	----	----	2,024.00
	Total	24,544.25	4773.00	93,03,010.62	5,20,762.27	5230.00	163267.00	1,00,21,587.14

On a general review of the Cash Books, the following observations were made.

i. Paid Vouchers.

Under Rule- 8 of OGFR- Vol. – I, no expenditure shall be incurred until, the same has been sanctioned by an authority competent to do so and the expenditure has been provided in authorized grants and appropriation for the year, SR- 241 of OTC- Vol. – I also provides there no money shall be spent out of available cash for the purpose for which no allotment exists. Retention of paid vouchers in lieu of

(2)

cash was shortly prohibited by Govt. of Orissa, Finance Deptt. vide Circular No. TRA- 29/64-20480/F dt.18.7.64 read with letter No. 9482/F dt.6.3.2000. But in contravention to above cited provisions and Govt. instructions it was noticed that a sum of Rs.4773.00 was diverted from available cash of P L Account Cash Book for the purpose for which no allotment existed and kept in shape of paid vouchers (Rs.4773.00) as on 31.3.11 which is irregular. Steps may be taken to adjust the paid vouchers by obtaining specific allotment from the competent authority and the position may be intimated to audit.

✓ ii. **Outstanding Advance.**

As per rule SR- 509 of OTC- Vol.- I read with Finance Department Circular No. 43784/F dt.2.12.85, advances granted to Govt. Servants for departmental or allied purposes should be got adjusted within one month from the date of disbursement and the salary of the Govt. Servant is to be held up if any advance is outstanding against him. but it was seen from the closing balance of P L Cash Book that a sum of Rs.1,63,267.00 was shown as outstanding advance as on 31.3.11. The above advances rolling in the Cash Book without adjustment for months together. The Party / Person wise break up of which are given in ANNEXURE-‘A’.

On this being pointed out in audit it was stated that steps would be taken for the ^{adjustment} of the outstanding advance taken earlier.

✓ iii. **Huge un-utilised fund in P L Cash Book Rs.42.32 lakh.**

Fees collected from the students under different heads / purposes like games, sports, cultural, periodicals etc. should be spent on the welfare of the students. But it was seen from the P L Account Cash Book that the Closing Balance included a huge amount of Rs.42,32,23/- as on 31.3.11 which indicates that the funds were not spent / utilized for the purposes those were collected from the students.

On this being pointed out in audit it was stated that necessary steps would be taken after obtaining orders of the competent authority (DTE & T (O)) in this regard.

✓ iv. As per the codal provisions non Govt. Collections from the students should be deposited in P L Account Pass Book in the local treasury. But it was seen that the fees / charges collected from the students under various heads by the Govt. Polytechnic, Dhenkanal were deposited in a saving bank account bearing No. 10993979012 of SBI, Dhenkanal. In spite of repeated audit objections, the Polytechnic continued to deposit the collected amount in Bank Account. Early steps may be taken to withdraw the said amount from the S B Account and kept the same in a P L Account in the local treasury under intimation to audit.

✓ v. **IT Students fee.**

Closing cash analysis of P L Cash Book showed that a sum of Rs.7.26 lakh under IT Students fee was included in the closing balance as on 31.3.11. The said amount was collected from the IT (Information Technology) Students under the Self Financing Scheme and kept un-utilised / refunded so far.

On this being pointed out in audit it was stated that DTE & T, Orissa would be moved for utilization of the fund. However effective steps may be taken for utilization or refund of the balance fund as the cases may be under intimation to audit.

✓ vi. **Caution money.**

Caution money collected from the Students by the institution should be refunded to them at the time of leaving of the institution. But it was seen from the closing cash analysis of non Govt. Cash Book than a huge sum of Rs.3,81,500/- towards caution money retained in the Cash Book as on 31.3.11. Early steps may be

taken to refund the same to the concerned ex-students (already left) under intimation to audit.

✓ **vii. Unspent scheme funds- Rs.2.76 lakh.**

As per provisions of the guidelines issued under different schemes. The unspent balance left after competition / closure of the scheme should be refunded to the funding authorities after taking approved of the competent authority. But during scrutiny of the Cash Books it revealed that scheme fund to the tune of Rs.2,75,972.74 was lying unspent as on 31.3.11 against the schemes as detailed below.

Name of the scheme	Balance unspent
MODROB (MOM)	Rs.1,18,214.74 ✓
MODROS (GDFT)	Rs.1,24,786.00 ✓
RLTAP	Rs.31,459.00 ✓
Strengthening	Rs.1,513.00 ✓
	Rs.2,75,972.74

Effective steps may be taken to refund the same to proper quarters after obtaining necessary approval of the competent authority and the position may be intimated to audit.

✓ **viii. Irregular deduction of Bank Charges.**

Scrutiny of the concerned Pass Books and Cash Book it revealed that SBI Dhenkanal deducted a sum of Rs.910/- from the balances of Bank Accounts in different dates irregularly as per the details given below.

Date of deducting by Bank	Date in Cash Book	Purpose of Deduction	Amount (Rs.)
SB A/C 30.6.2010	27.9.10	Excess Dr.	115
26.7.10	27.9.10	SC / DPP	100
17.9.10	27.9.10	DDP	140
31.12.10	10.1.11	Excess Dr.	510
C/A 30.6.10	27.9.10	--	45
			Rs.910/-

Steps may be taken to recover the same from the concerned bank and the position may be intimated to audit.

ix. **Un-disbursed Stipend and Scholarship.**

To encourage the studies among the students belonging to SC/ST and other backward classes. Govt. have sanctioned Scholarships / Stipends from time to time. But it was seen that a sum received towards Scholarship and Stipend for disbursement to eligible students were retained in the closing balance of General Cash Book without disbursement as on 31.3.11 as per the details given below.

Stipend	Rs.6820.00
Scholarship	Rs.50,640.00
	Rs.57,460.00

As a result of which the eligible students were deprived of the benefit of availing the same. Steps may be taken to disburse the same to the payees concerned and if at all there is no prospective in its utilizations the same may be refunded to proper quarters.

16

Similarly Examination Remuneration to the tune of Rs.5207/- lying un-utilised as on 31.3.11 may be disbursed to the payees concerned under intimation to audit.

✓ 5. **Non-Disposal of Unserviceable Articles.**

As per the information furnished to audit and from the relevant Stock / Store account records it was noticed that huge stock of unserviceable and damaged articles were lying without disposal as on 31.3.11. The total value of the Stock of unserviceable articles worked out to Rs.2,22,436/- as per the details furnished by the Office (ANNEXURE-'B').

As delay in disposal of unserviceable articles may reduce the offset price due to further deterioration / damage and it may also cause shortage of storing space, early and effective steps may be taken to dispose of the material through auction sale under intimation to audit.

PART - III

A Test Audit Note containing the minor and procedural irregularities of minor and procedural in nature is handed over on the spot, the compliance to which may be furnished to next audit with relevant records.


Sr. Audit Officer.